

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02 L-02

AGR-05 AID-05 CIEP-01 OPIC-03 XMB-02 TRSE-00 /054 W

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R 041720Z APR 75

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC 5192

C O N F I D E N T I A L MONROVIA 1822

E.O. 11652: GDS

TAGS: EINV, PINT, ELAB, LI

SUBJECT: FUROR FOLLOWS FIRESTONE FIRINGS

REF: (A) MONROVIA A-91 OF SEPT 23, 1974

(B) MONROVIA A-2 OF JANUARY 6, 1975

(C) MONROVIA A-15 OF MARCH 10, 1975

(D) MONROVIA 1693 OF MARCH 31, 1975

SUMMARY: PRESIDENT TOLBERT HAS ORDERED FIRESTONE PLANTATIONS COMPANY TO REINSTATE 190 WORKERS WHO WERE FIRED LAST WEEK. LAYOFFS HAD STIRRED EXCEPTIONALLY STRONG AND QUICK REACTION FROM GOL. REASONS FOR GOL ACTION ARE NOT CLEAR. EMBASSY IDENTIFIES INCREASING GOL TENDENCY TO DEAL WITH FOREIGN CONCESSIONS IN HIGHHANDED MANNER WHICH COULD DISCOURAGE FUTURE INVESTMENT HERE. END SUMMARY.

1. FIRESTONE PLANTATIONS COMPANY, ON ORDER OF PRESIDENT TOLBERT, HAS AGREED TO REHIRE ALL 190 WORKERS WHOSE FIRING WAS REPORTED IN PRESS MARCH 27. MOVE CAME AFTER CONSIDERABLE GOL PRESSURE, INCLUDING THREAT BY PRESIDENT TO HAVE FIRESTONE GENERAL MANAGER CARMICHAEL REMOVED FROM THE COUNTRY IF HE DID NOT COMPLY. DECISION TO FIRE WAS SEEMINGLY WITHIN FIRESTONE RIGHTS UNDER ITS CONCESSION
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AGREEMENT AND UNDER LIBERIAN LAW YET DREW IMMEDIATE RESPONSE

FROM A.B. TOLBERT, PRESIDENT'S SON AND HATCHET MAN, WHO LABELLED IT AN AFFRONT AND DECRIED FIRESTONE QTE EXPLOITATION UNQTE OF LIBERIA. A.B.' S SPEECH RECEIVED PROMINENT MEDIA COVERAGE. MINISTER OF LABOR PEAL CALLED COMPANY MANAGEMENT ON CARPET FOR FAILURE CONSULT GOL IN ADVANCE, AND ON APRIL 3 PRESIDENT TOLBERT ORDERED CARMICHAEL TO "REHIRE OR GET OUT."

2. ENTIRE AFFAIR APPEARS TO HAVE BEEN MISHANDLED BY BOTH PARTIES. FIRESTONE MAGISTERIALLY ANNOUNCED LAYOFFS ON SHORT NOTICE WITHOUT CONSULTATION. ALSO TOLD HALF TRUTH ABOUT NUMBER WORKERS INVOLVED AND FAILED TO INFORM GOVERNMENT ABOUT STEPS IT TOOK TO MITIGATE EFFECT ON WORKERS. GOL OVERREACTED ON BASIS OF ERRONEOUS PRESS REPORT (THAT 350 HAD BEEN LAID OFF) AND IGNORED ESTABLISHED AND PROPER PROCEDURES IN ITS RESPONSE.

3. EMBASSY HAS CONSULTED WITH CARMICHAEL. HE UNABLE SHED LIGHT ON REASONS FOR GOL ACTION BUT SAW NO CONNECTION WITH CONCESSION AGREEMENT RENEGOTIATION NOW IN PROGRESS, WHICH APPARENTLY GOING SMOTHLY AND WITHOUT RANCOR. NOTED THAT SEASONAL LAYOFFS OF THIS TYPE HAVE BEEN COMMON IN PAST.

4. QUESTION OF AGRICULATURAL UNIONS COULD BE KEY TO GOL MOTIVES. PRESIDENT APPARENTLY SINCERELY INTERESTED IN ALLOWING AGRICULTURAL WORKERS RIGHT TO ORGANIZE, NOW DENIED BY LAW. MAJOR OPPOSITION TO THIS STEMS FROM MEMBERS OF HIS OWN CABINET AND OTHER HIGH GOVERNMENT OFFICIALS WHO ALSO PLANTATION OWNERS. A.B.'S DIATRIBE AGAINST FIRESTONE WAS MADE IN HIS CAPACITY AS PRESIDENT OF LIBERIAN CONFEDERATION OF LABOR, AND MENTIONED NEED FOR AGRICULTURAL UNION TO PROTECT WORKERS. LABOR UNION OFFICIALS INTERPRET PRESENT BROUHAHA AS CONFIRMING PRESIDENT'S INTENT TO LEGALIZE A UNION. TOLBERT MAY THEREFORE BE USING LABOR UNIONS AND FIRESTONE AS MEANS TO BREAK DOWN RESISTANCE OF LIBERIA'S POLITICAL ELITE. THIS WOULD BE BOLD AND POSSIBLY DANGEROUS STEP FOR HIM SINCE HE ALREADY UNPOPULAR AMONG OLD-STYLE CONSERVATIVES FOR FEW LIBERALIZING REFORMS HE HAS CARRIED OUT.

5. MOST DISTUBING ASPECT OF AFFAIR IS ITS CONFIRMATION OF GOL'S INCREASING TENDENCY TO DEAL WITH FOREIGN CONCESSIONS BY FIAT, DISDAINING CONSULTATION OR EXISTING LAW. TOLBERT'S MOVES CONSTITUTE DIRECT INTERFERENCE WITH MANAGEMENT PREROGATIVES.
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ALSO SEEM DISCRIMINATORY IN CONTEXT OF REPORT THAT STEVE TOLBERT'S MESUTEX FIRM RECENTLY FIRED 75 MEN, MORE THAN HALF ITS LABOR FORCE, WITHOUT GOVERNMENT ACTION. GOL'S HIGHHANDED ATTITUDE ALSO REFLECTED IN RECENT LIBING STRIKE (MONROVIA A-15). IN GOL ATTEMPTS TO FORCE CONCESSIONS TO MAKE ALL TRAVEL ARRANGEMENTS THROUGH AIR LIBERIA (MONROVIA 1693), AND IN GOVERNMENT PRESSURES ON LIBERIA MINING COMPANY TO SECURE FITURES OF 2,500 WORKERS WHO WILL BE LAID OFF WHEN BOMI HILLS MINE CEASES

OPERATION THIS YEAR (MONROVIA A-2). VANPLY PLANT SOON WILL CUT
BACK TOTAL EMPLOYMENT FROM 2,800 TO ROUGHLY 900 UPON COMPLETING
CONSTRUCTION, AND IS ANOTHER POSSIBLE TARGET FOR STRONG-ARMING.
IF TOLBERT CONTINUES TO RESORT TO ENFORCED FEATHERBEDDING,
DENY EQUAL APPLICATION OF LAW TO CONCESSIONS, AND DISCRIMINATE
AGAINST FOREIGN FIRMS, HE WILL SURELY JEOPARDIZE LIBERIA'S
CHANCES FOR MORE FOREIGN INVESTMENT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR, AGRICULTURAL WORKERS, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MONROV01822
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750118-0541
From: MONROVIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750481/aaaacvxs.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 MONROVIA A-91, 75 OF SEPT 23, 75 1974
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2003 by ElyME>; APPROVED <12 DEC 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FUROR FOLLOWS FIRESTONE FIRINGS
TAGS: EINV, PINT, ELAB, LI, FIRESTONE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006